Approved For Release 2002/08/16/07/17/07/18-01617A005800010007-7

32

EUROPE-AFRICA

1. USSR: Reply on Iran deferred—Kennan reports that Roberts, the British Charge, under urgent instructions from London asked on 21 March to see Molotov personally in order to obtain a reply regarding Iran. To Roberts' surprise, he was received by Molotov at midnight that night. Molotov told him that a reply would soon be forthcoming, but that Iran's appeal to the Security Council had created "a new situation," which compelled the USSR to await the results of a "continuation of the Moscow conversations" now under way in Tehran between the Soviet Ambassador and Premier Qavam.

Kennan and the British Charge regard such recent Soviet moves as the withdrawal from Bornholm and the announcement of further demobilization of the Red Army as efforts to ease relations between the USSR and the Western Powers without yielding on the Soviet position in the Middle East. These efforts, they consider, represent added evidence that the USSR does not wish a complete break with the UNO and the Western Powers, but both Kennan and Roberts increasingly fear that the USSR may miscalculate the length to which it can go without causing a break. Kennan considers that the recent statement by Senators Pepper, Kilgore, Taylor and Mitchell will tend to convince the Soviet Government that powerful elements in the US Government sympathize entirely with Soviet aims and actions in the Middle East and will encourage the Soviets to feel that they can go farther than otherwise would be the case.

2. AUSTRIA: US note to Moscow on reconstruction and independence of Austria—The State Department has instructed Charge Kennan in Moscow to notify the Foreign Commissariat of US concern over the failure of the four powers to agree on a policy restoring Austria's independence and economy. The US desires that appropriate instructions be sent to Marshal Kongy in Vienna to permit discussion of a program for the reconstruction of Austria, which General Clark will present to the Allied Council. Clark's program is to include the following points: (a) food supply and relief, (b) immediate reduction of occupation forces, and (c) economic rehabilitation and the creation of a basis for a national economy consistent with national independence.

,a	Document No.	035	And the second second	
* *	NO CHANGE in			11
- *** *	Class. CHANG	IND ED TO: TS cmo, 4 Apr 77	s ©	
CONFIDEN	Auth DDA TO MAR	1978 Z Dy, _]
TOP SECRET			25X	1

Approved For Release 2002/08/16 : CIA-RDP78-04617A005800010007-7

- 3. RUMANIA: Proposed ACC action for safety of King--The US delegate ACC has suggested that, in view of a recent abortive Soviet-inspired plot to assassinate King Michael and the intensity of feeling against the King in leftist circles, the question of the King's personal safety be brought before the ACC. He proposes that the ACC be advised that the US Government considers (a) that the Rumanian Government be ordered to take all necessary steps to insure the complete protection of the King's person and (b) that the USSR, which holds the chairmanship of the ACC and therefore is responsible for maintaining law and order in Rumania, bear full responsibility for the safety of the King until the Rumanian people in a free election decide the monarchial question.
- 4. Yugoslav-Polish-Czech entente rumored--According to Steinhardt, several Czech Foreign Office officials believe that the purpose of Tito's visit to Warsaw and Prague is to sponsor a new little entente between Yugoslavia, Poland and Czechoslovakia.

- 6. FRANCE: UNO action against Spain delayed—Caffery reports that Bidault is drafting notes to the US and UK suggesting that they sever diplomatic relations with Spain. Caffery considers that Bidault has persuaded his Cabinet colleagues not to precipitate action by the Security Council on Spain.
- 7. SPAIN: Conduct of French authorities denounced—US and British Embassies Madrid have received notes in which the Spanish Government denounces the conduct of French authorities "who at least passively contribute to maintaining a state of hostility against Spain." The note details alleged French actions and intentions and states that, "despite French provocations, the Spanish regime is determined to maintain peace."

Approved For Release 2002707 10 12 14 17 17 8-01617A005800010007-7

25X1

Approved For Release 2002/08/16: CIA-RDP78-01617A005800010007-7

GONFIDENTIAL'

FAR EAST

8. KOREA: Soviet intentions at the Joint Commission—General Hodge reports that General Shtikov's opening address to the US-USSR Joint Commission indicates that the Soviets (a) contemplate some kind of trusteeship for Korea; (b) intend that the Commission shall arbitrarily select the personnel and determine the structure of the provisional government; and (c) expect to consult only the parties they like.

General Holge questions whether the Soviets have any genuine desire to end the status quo in Korea.